

Assembly Bill No. 2176

CHAPTER 229

An act to add Chapter 5.5 (commencing with Section 25450) to Division 15 of the Public Resources Code, relating to energy.

[Approved by Governor August 1, 2008. Filed with
Secretary of State August 1, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2176, Caballero. Energy: federal block grants.

The federal Energy Independence and Security Act of 2007 (federal act) provides energy efficiency and conservation block grants to states for the purposes of reducing fossil fuel emissions, improving energy efficiency, and reducing total energy use. That act requires not less than 60% of the funds allocated to a state to be used to provide subgrants to local governments that are not eligible to receive block grants under the act. Existing law authorizes the State Energy Resources Conservation and Development Commission to apply for and accept grants.

This bill would require the commission to administer funds received by the state pursuant to the federal act and would require not less than 60% of the funds received to be used to provide subgrants to cities and counties of specified population sizes. The bill would require the remaining funds to be used to provide grants to entities eligible under the federal act. All grants would be prioritized based on cost-effective energy efficiency. The bill would require that no more than 5% of the funds received be expended on administrative expenses.

The people of the State of California do enact as follows:

SECTION 1. Chapter 5.5 (commencing with Section 25450) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 5.5. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS

25450. (a) The Legislature finds and declares all of the following:

(1) The cost of energy in California is increasing and creating greater demands on local governments' operating budgets.

(2) The 100th Congress enacted the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) that provides grants to eligible entities, including states, to reduce fossil fuel emissions, improve energy efficiency, and reduce overall energy use.

(3) Section 545(c)(1)(A) of the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17155(c)(1)(A)) mandates that states receiving block grants under the act use not less than 60 percent of the grant amount to provide subgrants to local governments that are not eligible entities for the purposes of the act.

(b) It is the intent of the Legislature to fully implement the requirements for energy and conservation block grants provided pursuant to the Energy Independence and Security Act of 2007 and that the funds allocated to the state pursuant to that act be administered by the commission.

(c) It is the intent of the Legislature to strive to maximize the opportunity to allocate funds toward the most cost-effective energy efficiency projects, and when allocating funds toward administration, the commission should use the 5-percent allowable administrative expenses as a ceiling and improve efficiencies to allocate less than the allowable amount.

25450.1. Funds allocated to and received by the state pursuant to the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) shall be administered by the commission.

25450.2. (a) Not less than 60 percent of the funds received pursuant to Section 25450.1 shall be used to provide cost-effective energy efficiency and conservation grants to cities with a population of less than 35,000 and counties with a population of less than 200,000, and be prioritized based on cost-effective energy efficiency.

(b) The remaining funds received pursuant to Section 25450.1 shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities consistent with the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.), and be prioritized based on cost-effective energy efficiency.

25450.3. Not more than 5 percent of the funds received pursuant to Section 25450.1 shall be expended for administrative expenses, including, but not limited to, the combined administration program costs, indirect costs, overhead, and costs associated with the Statewide Cost Allocation Plan, including those administration program costs, indirect costs, and overhead costs of all other public and private entities associated with the disbursement, the expenditure of funds, or both the disbursement and expenditure.